

# Agenda Report

Date: January 7, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** AUTHORIZATION TO ENTER INTO PURCHASE ORDER CONTRACTS WITH G&W ELECTRIC COMPANY AND THOMAS & BETTS ELASTIMOLD TO FURNISH AND DELIVER HIGH VOLTAGE GAS INSULATED AND SOLID DIELECTRIC VACUUM SWITCHES FOR THE WATER AND POWER DEPARTMENT.

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) Guidelines §15301, Existing Facilities;
2. Accept the bid dated November 20, 2012 submitted by G & W Electric Co. in response to Specifications No. LD-12-10, Item I: 27kV SF-6 Gas insulated 4-Way and 5-Way switches; Item III: 2-Way 27kV 200Amp and 600Amp, Solid Dielectric Vacuum Insulated Resettable Fault Interrupter Switch with Load-Break; and Item IV: 4-way and 5-way 27kV 600Amp, SF6 Gas Insulated Dead-Front; authorize a purchase order contract to G & W Electric Co. for a period of three years or until \$6,193,422 is expended whichever comes first, with two optional one-year extensions not to exceed \$2,064,474 each year;
3. Accept the bid dated November 20, 2012 submitted by Thomas & Betts Elastimold Co. in response to Specifications No. LD-12-10, Item II: 2-Way 27kV 200Amp, Solid Dielectric Vacuum Insulated Load-Break High Voltage Vacuum Switch; authorize a purchase order contract to Thomas & Betts Elastimold for a period of three years or until \$339,352 is expended whichever comes first, with two optional one-year extensions, not to exceed \$113,117 each; and
4. Reject all other bids.

## **BACKGROUND:**

When existing insulated switches in the electrical distribution and transmission systems fail, they must be replaced. In addition, Pasadena Water and Power must purchase new switches for planned and future projects.

On November 1, 2012, a Notice Inviting Bids for various types of insulated switches was published in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to seven businesses on the Purchasing Division's vendor list. Two responsive bids were opened on November 20, 2012.

<u>Bidder/ Location</u>	<u>Item I</u>	<u>Item II</u>	<u>Item III</u>	<u>Item IV</u>	<u>TOTAL</u>
G&W Electric Co/ Bolingbrook, IL	\$1,373,432	\$160,080	\$229,981	\$461,061	\$2,064,474
Thomas & Betts Elastimold/ Hackettstown, NJ	No Bid	\$113,317	No Bid	No Bid	\$113,317

G&W Electric Co. is the lowest responsive bidder that met all of the requirements for Items I, III and IV of the specifications. Thomas & Betts Elastimold is the lowest responsive bidder that met all the requirements for Item II. Staff recommends that City Council authorize purchase order contracts with G & W Electric Co. for Items I, III and IV and Thomas & Betts Elastimold for Item II. The proposed contracts are in compliance with the Competitive Bidding and Purchasing Ordinance P. M. C. 4.08, and rules and regulations promulgated there under.

#### **COUNCIL POLICY CONSIDERATION:**

The proposed contracts are consistent with the Public Facilities Element of the General Plan and support the Council's goal to improve, maintain and enhance public facilities infrastructure; to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources.

#### **ENVIRONMENTAL ANALYSYS:**

The proposed contracts are exempt under CEQA Guidelines Section 15301 (Existing Facilities), which exempts actions such as maintenance, repair and operations relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. Section 15301(b) specifically identifies existing facilities of publicly-owned utilities used to provide electric power.

#### **FISCAL IMPACT:**

The maximum cost of this action if both purchase order contracts are approved is \$10,898,357 over five years. The cost of this action will be addressed by utilizing existing and future appropriations in the Power Capital Fund. It is anticipated that \$1,300,000 will be spent during the current fiscal year for planned projects and to replenish inventory. The remainder will be spent over the next five fiscal years. Purchases under these contracts will not be authorized unless sufficient funding is available each fiscal year in the appropriate capital budgets.

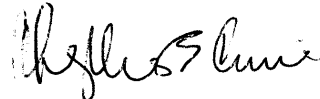
The following table presents a summary of the source of funds currently budgeted for this contract in Power Capital Fund 411:

Budget 3001	Services from Utility Underground System – Private Property Vaults	\$250,000
Budget 3033	New Feeders and Communications Circuits	\$100,000
Budget 3161	Power Distribution Capacity and Reliability Program	\$400,000
Budget 3174	Utility Undergrounding	\$150,000
Budget 3191	4kV Distribution System Conversion	\$400,000
<b>Total Projected Expenditures in Fiscal Year 2013</b>		<b>\$1,300,000</b>

These contracts will have no impact on other operational or capital projects other than minor costs for contract administration. The following table represents a contract summary.

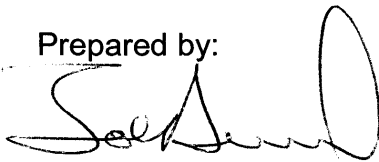
	Initial Term (3 Years)	Year 4	Year 5
Not To Exceed Amount	\$6,532,775	\$2,177,791	\$2,177,791
Contract Administration	\$6,000	\$2,000	\$2,000
Fiscal Impact	\$6,538,775	\$2,179,791	\$2,179,791
<b>Total Maximum Fiscal Impact Over Five Years</b>			<b>\$10,898,357</b>

Respectfully submitted,



Phyllis E. Currie  
 General Manager  
 Water and Power Department

Prepared by:



Joe Awad  
 Assistant General Manager  
 Water and Power Department

Approved by:



for Michael J. Beck  
 City Manager